



# Australian Bureau of Statistics

## 1369.0.55.001 - Australian Business Register: Counts of Australian Business Numbers (ABNs), Jun 2001

Latest ISSUE Released at 11:30 AM (CANBERRA TIME) 26/03/2002

## Summary

### Main Features

#### MAIN FEATURES

At June 2001 the number of business entities registered with the Australian Business Register (ABR) for an active Australian Business Number (ABN) was 3,480,323.

Of the total number of business entities registered for an ABN, 25% (885,129) were employing entities. Business entities may register with the ABR for reporting of various tax liabilities and roles. Less than 8% of employing entities were not active for GST. Of the 2,595,194 non-employing entities registered with the ABR, 47% were not active for GST.

Of employing businesses registered and active for GST, Property and Business Services (162,082) had the greatest numbers, followed by Retail Trade (120,533) and Construction (108,052). Among non-employers registered and active for GST, the majority of businesses were in Property and Business Services (324,117), Construction (233,405) and Agriculture, Forestry and Fishing (147,885).

The majority of employing business entities registered and active for GST (55%) estimated their annual turnover to range between \$100,000 and \$1,000,000. Ten percent of employing businesses had estimated annual turnover of less than \$50,000, while 0.7% (5,863) estimated that their annual turnover would exceed \$20 million. In the non-employing category, 81% of businesses registered and active for GST estimated their annual turnover to range between zero to \$100,000.

Of the total number of employing business entities registered and active for GST only 2% stated that they operate from more than one state. More than half, (61%) of these business entities operate from locations in only two States, while 8% operate from locations in all States and Territories. Whilst the number of multi-State business entities was small, it should be noted that 16% of these businesses reported an estimated annual turnover of \$20m or more, compared with less than 0.5% for single state business entities. Other ABS estimates report that multi-State businesses contribute about 36.5% of total business income, which indicates the significance of such businesses (for further details, refer to **Experimental Estimates, Australian Industry, a State Perspective** (Cat. No. 8156.0)).

#### MORE INFORMATION

Detailed tables of the information presented above are available from this site in Product Number 1369.0.55.001.

There are also two further special data services available:

Product Number 8136.0.55.001 Single Location Business Entities by Postcode by Industry Division.

Product Number 8138.0.55.001 Single-State Business Entities by Industry Class by State.

For more information on these products please contact the National Information and Referral Service on 1300 135 070.

## About this Release

### ABOUT THIS RELEASE

Presents information provided by the Australian Tax Office (ATO), based on data from the Australian Business Register (ABR). The ABR has been developed as part of the introduction of The New Tax System. Data relates to business entities in Australia at 31 October 2000. Another issue for this product relates to data as at 30 June 2001.

Replaces 1369.0 - Occasional Paper, Australian Business Register - A Snapshot

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## Explanatory Notes

### Explanatory Notes

#### INTRODUCTION

The information for which these Explanatory Notes are provided is based on data available from the Australian Business Register (ABR) which has been developed as part of the introduction of The New Tax System (TNTS). The ABR provides counts of Australian Business Entities which have been issued with an Australian Business Number (ABN) as part of the registration process. These data are based on a snapshot of business entities with an active Australian Business Number on the ABR as at 30 June 2001. This is the second snapshot of business entities from the Australian Business Register, the first related to 30 October 2000.

As part of The New Tax System businesses with an annual turnover of \$50,000 (\$100,000 for non-profit organisations) and above are required to register for an Australian Business Number (ABN). Businesses below this threshold may choose to register. The Registrar of the Australian Business Register (who is also the Commissioner of Taxation) administers the ABR.

A business entity receives one ABN regardless of the number of commercial activities it undertakes. However, if an enterprise is carried on by a number of different, but related, entities, each entity may register in its own right. Therefore, some care is needed in interpreting the number and characteristics of ABN entities, presented in this data.

Business counts previously issued by the Australian Bureau of Statistics (ABS) differ from the numbers presented in these tables for a number of reasons. An explanation for these differences is provided in the respective definitions of business units.

The total number of ABN registrations includes a wide range of entities including the number of employing and non-employing entities. Businesses are then classified according to whether or not they are actively registered for GST purposes. Entities do not have to register for GST to register for an ABN.

The ABN entity is the unit for the purposes of the accompanying tables. The total number of registered business entities which were active at 30 June 2001 was 3.5 million. Business entities that had a GST registration status of 'active' numbered 2.2 million. The information in all but two of the the available tables is in reference to these 2.2 million business entities.

The industry (ANZSIC) code has been assigned to ABN entities based on information provided at the time of registration or information already available in the ATO about the type of activity of an entity.

For details on availability of such data please contact the National and Information Referral Service on 1300 135 070.

Please read the attached notes before using the data supplied.

Tables available from the Australian Business Register

**(A)** Single-state business entities by industry class by State

Population (June 2001) : 2,148,098 ABNs that have active registration for GST and operate in only one state or territory.

Data provides Counts of ABNs by State, Territory and Australia for all 465 ANZSIC Industry Classes, 158 ANZSIC Industry Groups, 53 ANZSIC Industry Subdivisions and 17 ANZSIC Industry Divisions by Turnover Size range

**NOTE:** The October 2000 data was for Employing ABNs only.

**(B)** Single location business entities by Postcode by industry division

Population (June 2001): 2,107,209 ABNs that have active registration for GST and operate from a single location.

Data provides Counts of ABNs by Postcode, State, Territory and Australia for all 17 ANZSIC Industry Divisions by Turnover Size range

**(C)** Business entities by turnover size range

Population (June 2001): 3,480,323 ABNs that are registered as active on the ABR.

Data provides Counts of ABNs by whether actively registered for GST, whether an employer, by Turnover Size range.

**(D)** Business entities by industry division

Population (June 2001): 3,480,323 ABNs that are registered as active on the ABR.

Data provides Counts of ABNs by whether actively registered for GST, whether an employer, by all 17 ANZSIC Industry Divisions by Turnover Size range.

**(E)** Non-employing business entities by industry division

Population (June 2001) : 1,364,211 ABNs that have active registration for GST and are non-employers.

Data provides Counts of ABNs for Australia for all 17 ANZSIC Industry Divisions by

## Turnover Size range

### **(F)** Employing business entities by industry subdivision

Population (June 2001) : 814,955 Employing ABNs that have active registration for GST.

Data provides Counts of ABNs for Australia for all 53 ANZSIC Industry Subdivisions and 17 ANZSIC Industry Divisions by Turnover Size range.

### **(G)** Employing single-state business entities by state and industry division

Population (June 2001): 799,286 Employing ABNs that have active registration for GST and operate in only one state or territory.

Data provides Counts of ABNs by State, Territory and Australia for all 17 ANZSIC Industry Divisions by Turnover Size range.

### **(H)** Employing multi state business entities by industry division

Population (June 2001): 14,972 Employing ABNs that have active registration for GST and operate in two or more states and/or territories.

Data provides Counts of ABNs for Australia for all 17 ANZSIC Industry Divisions by Turnover Size range.

### **(I)** Employing multi state business entities by number of states of operations

Population (June 2001): 14,972 Employing ABNs that have active registration for GST and operate in two or more states and/or territories.

Data provides Counts of ABNs for Australia by Turnover Size range by the number of states and territories in which the ABN operates.

### **(J)** Employing multi state business entities by states of operations

Population (June 2001): 14,972 Employing ABNs that have active registration for GST and operate in two or more states and/or territories.

Data provides Counts of ABNs for States, Territories and Australia by the States and Territories of operation. Each ABN is counted once for each State and Territory in which it has operations.

## Reference Period

The business counts are a snapshot of active ABNs on the Australian Business Register at 30 June 2001. The ABN registration process commenced on 1 November 1999. Business entities are required to notify the ABR of changes to the information contained on their registration forms including when entities cease operating or commence operations. The statistics presented are those of businesses with active registrations on the ABR at 30 June 2001.

The notes that follow provide more information on the scope and quality of the Australian Business Register.

## Coverage

The population for the data is all business entities in Australia which registered with the ABR to obtain an Australian Business Number (ABN). The ABR was established under Section 24 of the **A New Tax System (Australian Business Number) Act 1999**. To be entitled to an ABN one of the following conditions had to be met:

- a company registered under corporations law in Australia
- a government department or agency, and
- an entity carrying on an enterprise in Australia

## **Business Unit**

The business unit about which information is published is business entities which have an Australian Business Number (ABN).

## **Classification by Industry**

The industry classification being used is the 1993 edition of the **Australian and New Zealand Standard Industrial Classification** (ANZSIC) (Cat. no. 1292.0). Each business entity is classified to a single industry based on either a description of activities which has been provided by businesses on registration forms, or from information on types of activities of businesses, held by the Australian Taxation Office (ATO).

### **Note:**

ANZSIC coding for non-employing entities had not been completed at 30 October 2000. Therefore, the industry classification given to non-employers is based ANZSIC where available, otherwise it was calculated from the industry box ticked by business entity on their ABN registration form.

ANZSIC coding for non-employing entities had been largely completed by 30 June 2001. Nearly all business entities on the Australian Business register are now ANZSIC coded. The completion of ANZSIC coding makes comparison of ABN counts by industry between October 2000 and June 2001 difficult and potentially unreliable for non employing ABNs.

## **Table (a) Detailed industry tables**

Counts of Australian Business Numbers (ABNs) as at June 2001 by State, Territory and Australia by Turnover size range for all 465 ANZSIC Industry Classes, 158 ANZSIC Industry Groups, 53 ANZSIC Industry Subdivisions and 17 ANZSIC Industry Divisions.

ABNs are included in this table if actively registered for GST and only operating from within one state or territory.

As at June 2001, this table includes both employing and non-employing ABNs. In October 2000 this table included employers only as there was insufficient ANZSIC Industry coding done on the ABR for non employing units at that time.

## **Table (b) Postcode tables**

Counts of Australian Business Numbers (ABNs) as at June 2001 by Postcode, State, Territory and Australia by Turnover size range for all 17 ANZSIC Industry Divisions. Postcodes that cross state or territory borders can be split to obtain precise state counts. This table includes employing and non-employing ABNs.

ABNs are included in this table if actively registered for GST and only operating from one location.

ABNs are classified to the postcode of its business address which would normally be the ABNs head office address. The ABN may have a separate postal address (e.g. PO Box) which was not used to determine its postcode for this table.

The postcode for each ABN was checked for validity from Australia Post lists current for May 2001. Those ABNs in the extract without a current geographical postcode were corrected where possible from related information held for that ABN.

## Completeness of the ABR data

Information for the registration process was supplied to the ABR by businesses either electronically through the Australian Government Business Entry Point or through the return of registration forms manually completed by registrants. Data from the registration forms has been scanned and loaded to the ABR. The data are presented on an 'as registered' basis. This means that limited editing of data occurred. Address details were corrected to ensure allocation of ABNs to States could be undertaken. This only occurred where enough information was provided in the address to derive the correct postcode or State.

Where fields were blank on the ABR registration forms they have been included in the 'not stated' category. Blank fields are mostly the result of questions not being completed on the registration forms.

Ongoing data quality work is being undertaken by the ABR to reduce the number of blank fields.

## Comparability of Australian Business Register (ABR) and Australian Bureau of Statistics (ABS) Business Counts

The unit being counted in the data supplied on the ABR is business entities which have registered for an ABN. The way in which 'businesses' can register for an ABN affects the numbers presented. Business counts previously issued by the Australian Bureau of Statistics (ABS) differ from the numbers supplied from the ABR for a number of reasons. An explanation for these differences lies in the respective definitions of a business.

**ABR definitions** The definitions provided for registering for an ABN on the ABR are provided in the **A New Tax System (Australian Business Number) Act 1999**. To be entitled to an ABN a business must be:

- a company registered under corporations law in Australia;
- a government department or agency;
- an entity carrying on an enterprise in Australia.

An entity (defined in Section 37 of the Act) means an individual (sole trader), a body corporate, a corporation sole, a body politic, a partnership, an unincorporated association or body of persons, a trust or a superannuation fund. An enterprise (defined in Section 38 of the Act) covers various activities but does not include hobbies. It includes the activities of entities such as charities, deductible gift recipients, and religious and government organisations. Activities which constitute an enterprise are those done:

- in the form of a business;
- in the form of an adventure or concern in the nature of trade;
- on a regular or continuous basis, in the form of a lease, licence or other grant of an interest in property;
- by the trustee of a fund or by an authority or institution to which deductible gifts can be made;
- by a charitable institution or by a trustee of a charitable fund;
- by a religious institution, or
- by the Commonwealth, a State or a Territory, or by a body corporate or corporation sole established for a public purpose by or under a law of the Commonwealth, a State or a Territory.

It is the business entity that receives an ABN. An entity will receive one ABN regardless of the number of commercial activities or enterprises it undertakes. However, if the enterprise is carried on by a number of different entity types, each entity must register in its own right.

For example, if a single entity is currently operating a cafe, a takeaway food delivery service and a newsagency, from different premises, it will have one ABN that covers all of these activities. A similar business enterprise with a different legal structure, may have more than one ABN. An enterprise such as a professional practice may be conducted by several entities, including, a corporations law company responsible for the day-to-day business operations, a trust which owns the building and a trust which pays for all the business services provided to the corporations law company. Each entity within the structure is required to register individually for an ABN. A large diversified enterprise may have many ABNs some of which may be employing and others non-employing.

**ABS definitions** The ABS maintains a register of employing businesses containing information which is used to determine the population for many ABS surveys. The business unit about which information is collected and published by the ABS is the 'management unit'. This is the highest level unit within a business which controls its productive activities and a set of management accounts are maintained. In most cases it coincides with the legal entity owning the business (ie company, partnership, trust, sole operator, etc.). However, in the case of large diversified businesses there are often a number of management units, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it. The management unit structure for large complex enterprises will not necessarily coincide with the way in which an enterprise registers with the ABR for ABNs.

The scope of the ABS business register is based around the concept of employing businesses. Employing businesses have been defined, in the past, as those clients of the ATO with a current relationship as a Group Employer taxpayer. An employing business is currently defined as one having an active ITW role with the ATO.

The ABS register does not contain information relating to non-employers, except for Agriculture units. Therefore, counts of businesses previously produced by the ABS from its business register have in the main not contained numbers of non-employers.

The ABS has also produced counts of small businesses which are derived from the ABS Labour Force Survey estimates of own account workers (ie people working in their own business without employees). These data do not include:

- non-employing incorporated businesses;
- businesses not considered to be the first or second job of the operator;
- businesses which were operated for only part of the year; and some businesses set up as partnerships and trusts

## **Confidentiality**

The data presented in the tables have been confidentialised to ensure no individual business entity can be identified. A threshold is applied to the number of business entities contributing to each cell of data. Where the threshold is not met, the data are not published. Other cells of data in the table which may or may not have met the threshold are also suppressed to ensure the business entities cannot be identified from the totals.

## **ABR Data Available on Request**

Data requests in addition to the above will be referred to the Business Frames Statistical Output Section and treated on an individual basis.

## **Inquiries**

If you require further information about the statistics in this report, please contact the consultant responsible for preparing the data or the ABS office in your capital city. Contact details for ABS Offices are provided in the 'For more information' section at the end of this report.

## Glossary

### **ANZSIC**

Australian and New Zealand Standard Industrial Classification. A classification system for identifying and grouping all producing units (of both goods and services) in Australia into industries to permit compatibility of data.

### **Australian Business Number (ABN)**

The Australian Business Number is a unique business identifier. To be entitled to an ABN at least one of the following conditions has to be met:

- a company registered under corporations law in Australia;
- an entity carrying on an enterprise in Australia (including government agencies, non-profit bodies and superannuation funds); or
- an entity which makes supplies that are connected with Australia in carrying on an enterprise.

### **Australian Business Register (ABR)**

The Australian Business Register contains all the information set down in the Act and Regulations which is provided by businesses when they register for an Australian Business Number (ABN). The Australian Business Register was established under Section 24 of **A New Tax System (Australian Business Number) Act 1999**.

### **Employing Entity**

An entity that has indicated when registering for an ABN that it employs staff, or intends to, and to pay wages and salaries.

### **Enterprise**

An enterprise covers various activities but does not include hobbies. It includes the activities of entities such as charities, deductible gift recipients, superannuation funds and religious and government organisations.

### **Entity**

An entity means an individual (sole trader), a body corporate, a corporation sole, a body politic, a partnership, an unincorporated association or body of persons, a trust or a superannuation fund.

### **Estimated Annual Turnover**

Annual Turnover is presented in the publication based on the information provided by ABR registrants. The ranges used are those which appear on the ABN registration forms.

For the purposes of registration for an ABN, annual turnover is calculated in the following manner (refer to guide for Registering for The New Tax System):

Calculation for **current and projected** turnover figures.

### **Current annual turnover**

Is the value of all supplies made or likely to be made in the current month plus the previous 11 months.

### **Projected annual turnover**

Is the value of all supplies made or likely to be made in the current month plus the next 11 months.

In both cases input taxed supplies, supplies to associates for no consideration, or supplies not in connection with the enterprise (e.g. private sales) are excluded. The value of supplies in both calculations excludes GST.

The amount of projected annual turnover does not include supplies made or likely to be made by transfer of capital assets, or as a result of ceasing an enterprise or substantially and permanently reducing the size of the enterprise.

### **Location**

A location is the continuous physical area or site at or from which a business engages in productive activity on a relative permanent basis.

### **Management Unit**

The management unit is the largest unit within a business for which detailed accounts are kept on at least a quarterly basis. For larger businesses, there may be a Management Unit for each 'line of business' or 'division' that the business operates.

### **Main Business Location**

Physical street address where main business activity actually takes place.

### **Multi-State ABN**

Refers to those businesses which operate from locations in more than one State or Territory.

### **Non-employing Entity**

An entity that has indicated when registering for an ABN that it does not, nor intends to, employ staff.

Entity Not Actively Registered for GST

An entity which has applied for and received an ABN but does not meet the relevant registration turnover threshold and is not required to register for GST.

Entity Actively Registered for GST

An entity carrying on an enterprise can register for GST. An entity carrying on an enterprise must register for GST if its annual turnover is at or above the registration turnover threshold of \$50,000 (\$100,000 or more if it is a non-profit organisation). An entity carrying on an enterprise with an annual turnover below the relevant threshold may choose to register for GST but is excluded from these figures.

### Single State ABN

Refers to an ABN unit which operates from locations in only one State or Territory.

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## Australian Business Register: Counts of Australian Business Numbers (ABNs) (I-Note) - Data Cubes

**Note:** This file replaces that issued on 25 March 2002 and corrects an error in the descriptive labels produced by the "Estimated Annual Turnover Size" classification used in six of the eight tables presented in this spreadsheet. A brief summary and table of contents sheet has also been added to the file. **The data in the tables has not been altered.**

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